



PHILIP MORRIS

U.S.A.

July 20, 1993

To Our Wholesale Clubs and Non-Direct Wholesale Customers:

Effective with shipments to all our direct buying customers on Monday, August 9, 1993, the list prices for the following Philip Morris Premium Brands will be reduced. Our new list prices for these Premium Brands will be the same as the current list prices of Branded Discount products such as Cambridge and Alpine.

Premium Brands: (\$3.93 per carton reduction)

MARLBORO
MERIT
BENSON & HEDGES
VIRGINIA SLIMS
SUPERSLIMS

PARLIAMENT
PLAYERS
SARATOGA
COMMANDERS
MULTIFILTER

Also effective with shipments of Monday, August 9, 1993, the list prices for the following Philip Morris Discount Brands will be reduced.

Discount Brands: (\$2.65 per carton reduction)

CAMBRIDGE
ALPINE

BRISTOL
BUCKS

PLAYERS LIGHTS 25'S (\$3.14 per carton reduction)

Our Branded Discount cigarettes will then be priced comparably with the current prices of Deep Discount cigarettes in the marketplace.

This effectively creates two pricing tiers for our products, Premium and Discount. We suggest that you consult with your cigarette supplier for complete details of price changes which may result from our announcement. We expect that the news media coverage of this action will generate a significant consumer response to our new pricing. We are also sending letters to 26 million adult smokers telling them about our lower prices.

Thank you for your continued business and support.

Philip Morris U.S.A.

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